

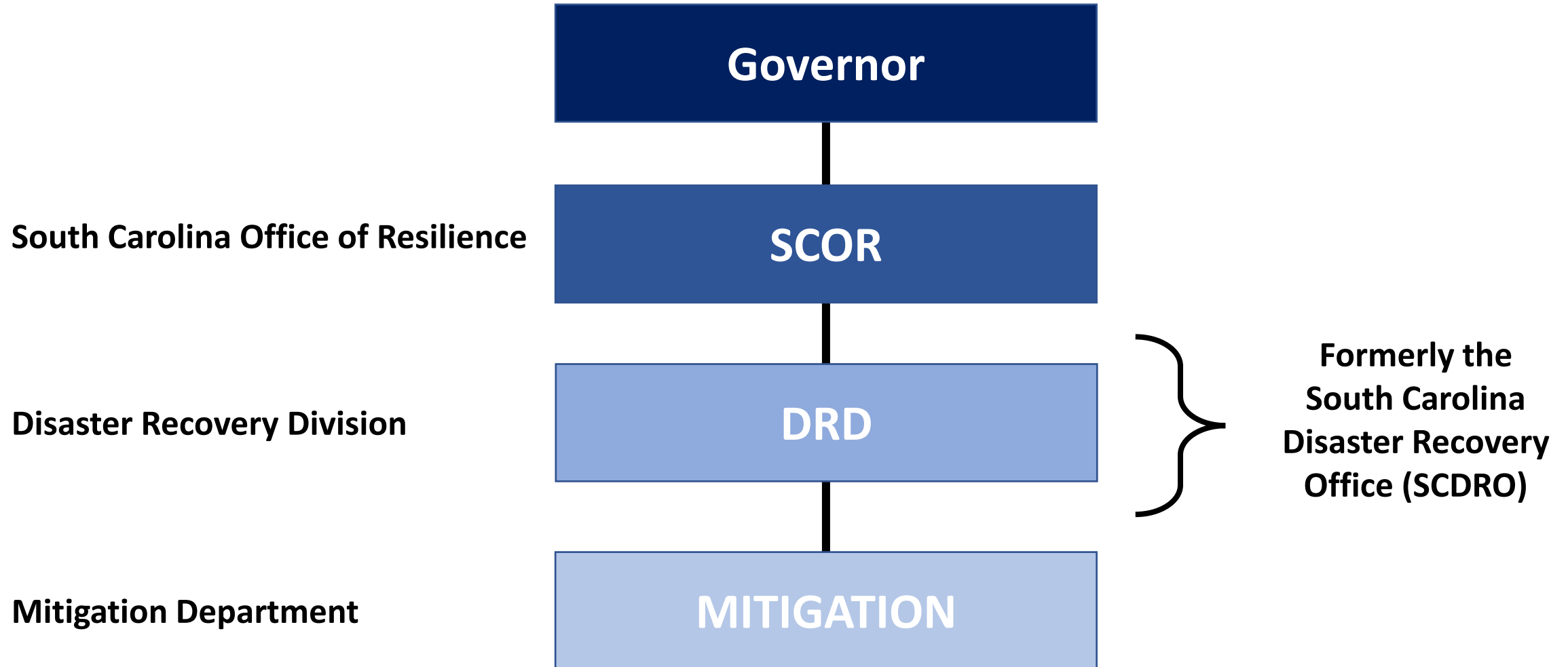
South Carolina Office of Resilience
Disaster Recovery Division

CDBG-Mitigation Program

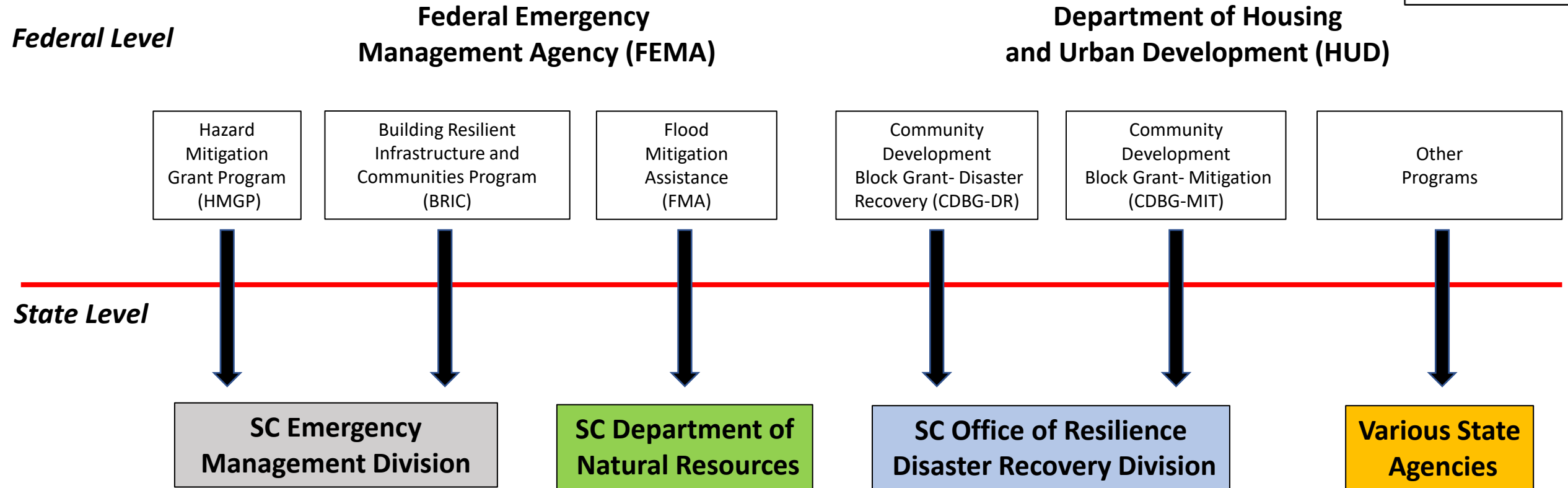
as of July 26, 2021



Who We Are



Flow of Federal \$ for SC Disaster Recovery and Mitigation Programs



HUD Mitigation Definition



“Those activities that increase resilience to disasters and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship, by lessening the impact of future disasters.”

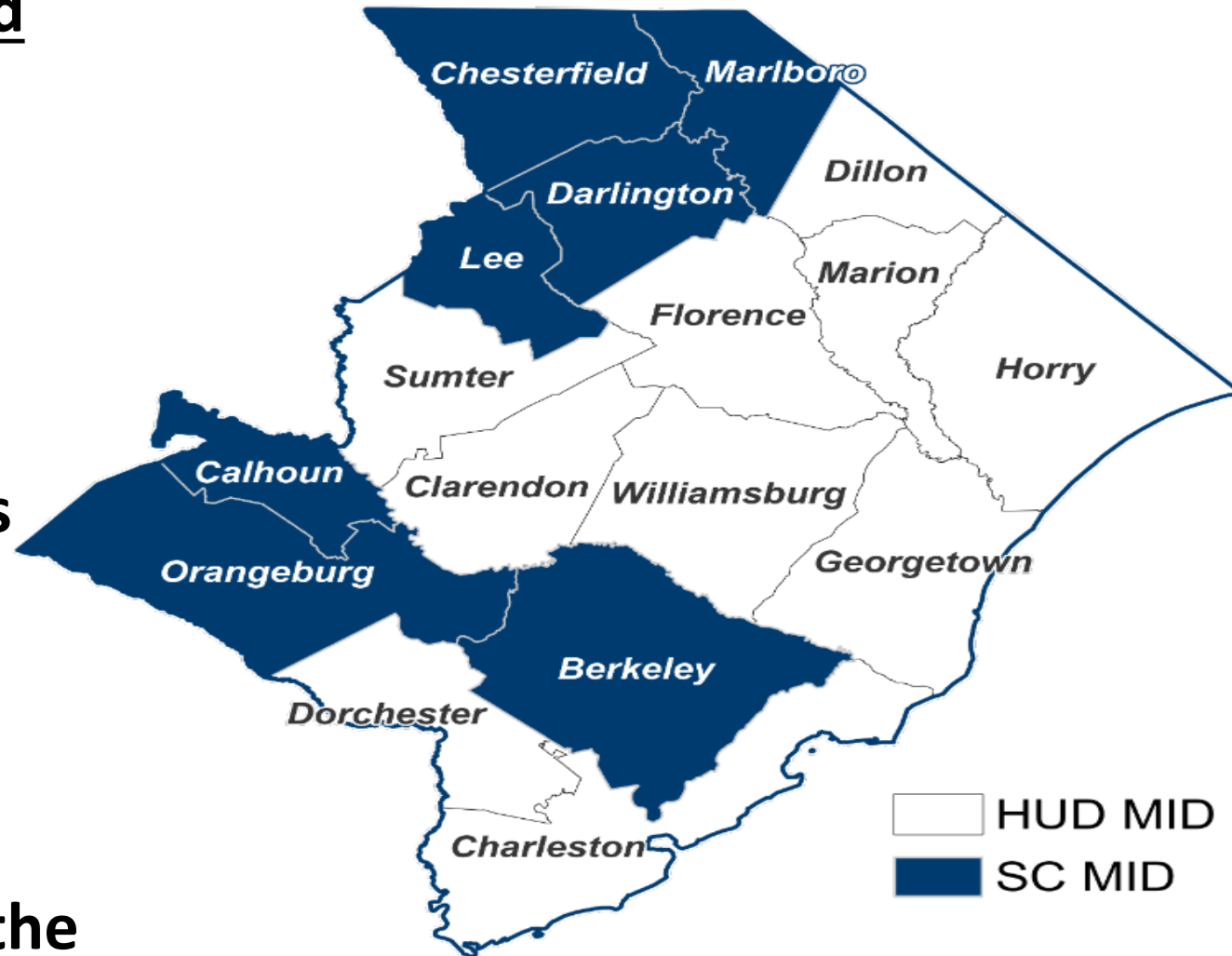
—CDBG-MIT Federal Register Notice (8/30/2019)



SCOR CDBG-Mitigation Focus



- ☐ Reducing potential riverine and surface flooding impacts
- ☐ In the Pee Dee and Santee watersheds
- ☐ With no less than 50% of funds benefiting Low-to-Moderate Income citizens
- ☐ Eligible Applicants must be a town, city or county in one of the **17 counties**



CDBG-Mitigation Programs



☐ Infrastructure

- Public infrastructure to reduce future flood risks
- **Will not include maintenance projects**
- **No operation of infrastructure projects**

☐ Housing Buyouts

- Targeted communities in the floodplain
- Coordinated through counties & municipalities

☐ Funds Match

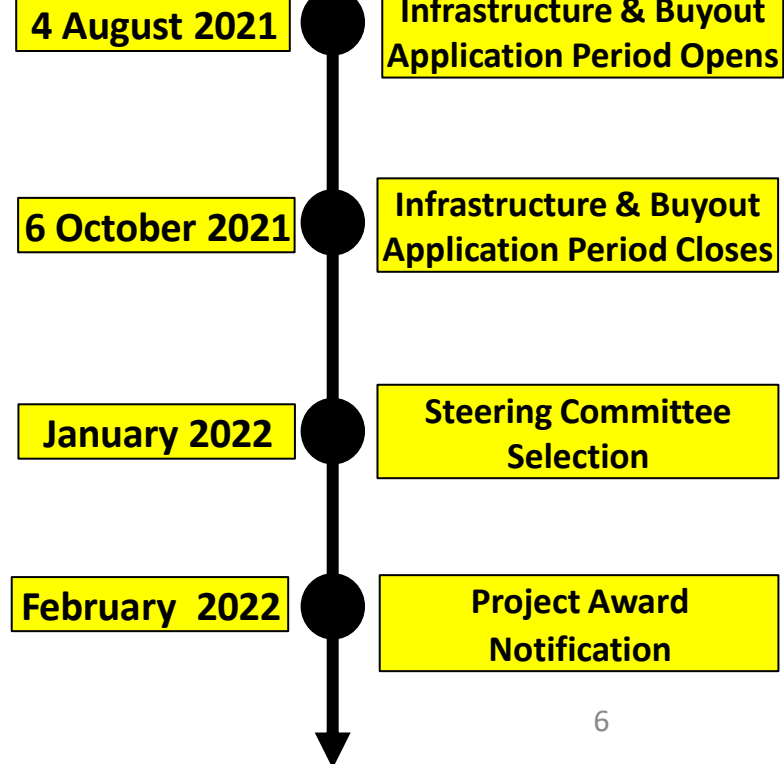
- Provides the non-federal/local cost share for federally approved mitigation projects

☐ Plans and Studies

- Studies to identify potential flood reduction projects to be funded through the infrastructure activities

Funds Match and Plans & Studies
Applications: Year-Round

Infrastructure & Buyout Applications:



What We Are Looking For From Units of Government?



- ☐ Put in an application(s) for your shovel ready infrastructure projects
- ☐ If you have no shovel ready projects, put in an application(s) for a study or a plan that leads to an infrastructure project or a buyout
- ☐ Put in an application(s) to buyout homes in the floodplain
- ☐ Put in an application(s) to provide the cost match for another state or federal agency's funding program
- ☐ Make a decision, whether you want to run it, or you want the State to run it for you (the State is never released from responsibility by HUD)
- ☐ All infrastructure, buyout and match projects must meet a HUD National Objective

National Objectives



- ☐ **Low to Moderate Direct Benefit (LMI)**
 - *Benefits low-and-moderate income persons/individuals*
- ☐ **Low to Moderate Area Benefit (LMA)**
 - *If buyout area and subsequent greenspace benefit area that is 51% or more LMI*
 - *Buyout only available to LM households and benefit provided by using pre-disaster valuation*
- ☐ **Low to Moderate Buyout (LMB)**
 - *CDBG-DR funds used to buy property owned by LMI household where award amount is greater than the post-disaster value*
 - *Grantee not required to follow the LMI household after the buyout*
- ☐ **Low to Moderate Housing Incentive (HMHI)**
 - *CDBG-DR funds used for housing incentive award tied to buyout or other voluntary acquisition to allow the LMI household to move out of floodplain to lower risk area OR for the purpose of providing or improving residential structures that, upon completion, will be occupied by an LMI household*
- ☐ **Urgent Need Mitigation (UNM)**
 - *Activities funded with the CDBG–MIT grant to result in measurable and verifiable reductions in the risk of loss of life and property from future disasters and yield community development benefits.*

CDBG-Mitigation Plans & Studies Program Overview

Mitigation Plans & Studies



☐ **Total Budget: \$13M**

☐ **Total Awarded: \$1.1M**

☐ **Total Remaining: \$11.9M**

☐ **Eligible Applicants:**

- **Town, City or County**
- **State agencies**
- **Councils of Government (COGs)**

☐ **Eligible National Objectives: Not required**

☐ **Executing Jurisdiction(s):**

- **SCOR DRD**
- **Town, City or County with capacity to execute**

☐ **Eligible Activities:**

- **Local and regional functional land-use plans**
- **Stormwater Master plans**
- **Drainage and Stormwater Studies**
- **Comprehensive plans**
- **Community recovery plans**
- **Resilience plans**
- **Hazard Mitigation Plan updates**
- **Disaster risk analysis/reduction studies that identify potential flood-reduction projects**

☐ **Prioritization: Completed application submissions will be reviewed for determination on a first come, first serve basis. Year-round application period until all funds have been exhausted.**

CDBG-Mitigation Infrastructure Program Overview

Mitigation Infrastructure



☐ **Total Budget: \$100M**

☐ **Total Awarded: \$30.1M**

☐ **Total Remaining: \$69.9M**

☐ **Eligible Applicants: Town, City or County**

☐ **Eligible National Objectives:**

- LMI Area Benefit
- Urgent Need Mitigation

☐ **Executing Jurisdiction(s):**

- SCOR DRD
- Town, City or County with capacity to execute

☐ **Eligible Activities:**

- New storm sewer installations
- Upsizing and/or replacing existing storm sewer lines
- Restoring natural or historical waterways
- Detention ponds
- Flood plain protection
- Wetland restoration
- Innovative solutions welcome!

☐ **Ineligible Activities:**

- Funding for buildings used for the general conduct of government
- Emergency response services; however, funds may be used to enhance the resilience of facilities
- Forced mortgage payoff
- Enlargement of dam or levee beyond original design
- Assistance to private utilities

Benefit Cost Analysis (BCA)

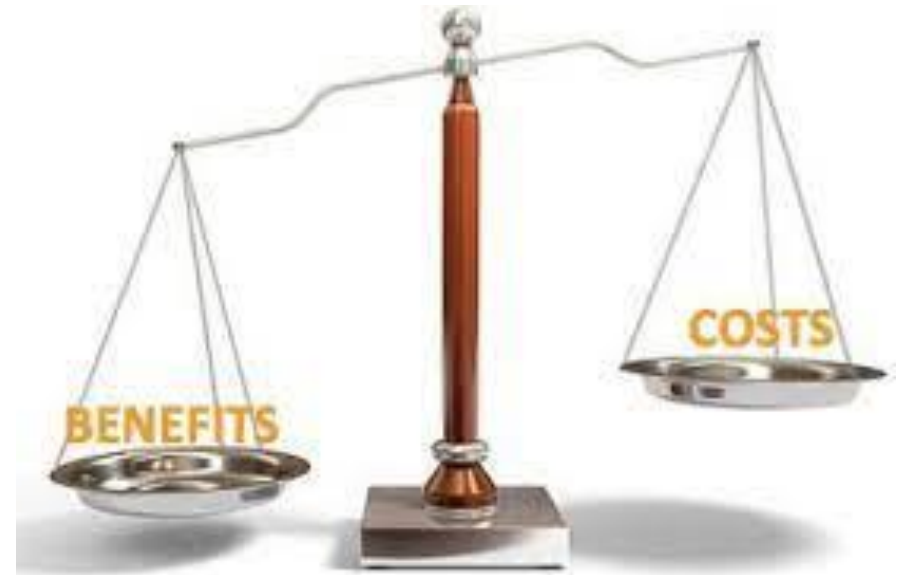
The Benefit Cost Analysis is the Benefit of the Project (in \$s) divided by the Cost of the Project (in \$s)

Example: *The cost to restore a wetland area is \$50,000. The restoration will prevent \$100,000 in future flood damage.*

The BCA is: $\$100,000 / \$50,000 = 2$.

So the BCA is 2

*SCOR will perform the Benefit Cost Analysis



Mitigation Infrastructure



Scoring Criteria...

- **Environmental Impact**
- **Benefit-Cost Ratio (BCA) – must be 1 or greater**
- **LMI%**
- **Level of Flood Risk Reduction**
- **Quantity of Flood Risk Reduction**
- **Permitting/Scheduling**
- **Mobility Improvement**
- **Leveraged Funding**
- **Phasing Considerations**
- **Project Synergies**



What is a Shovel Ready Project?



- ☐ **One that is ready for bidding**
- ☐ **Permits in hand**
- ☐ **HUD Environmental Assessment Complete**
- ☐ **Drawings complete**
- ☐ **Project Manual complete**



CDBG-Mitigation Buyout Program Overview

Mitigation Buyout



☐ **Total Budget: \$35 million**

☐ **Total Awarded: \$14.5 million**

☐ **Total Remaining: \$20.5 million**

☐ **Eligible Applicants:**

- Town, City or County

☐ **Eligible National Objectives:**

- LMI Direct Benefit
- LMI-Buyout
- LMI- Housing Initiative
- LMI Area Benefit
- Urgent Need Mitigation

☐ **Executing Jurisdiction(s):**

- SCOR DRD
- Town, City or County with capacity to execute

☐ **Eligible Activities: Buyout of residential properties**

☐ **Buyout Program Goals**

- Relocate people out of the floodplain
- Buyout contiguous properties; avoid “checkerboard” effect
- Create opportunity for flood waters to be captured through “living” green space, stormwater parks, water retention ponds, etc.



Buyout Eligibility Criteria



☐ Project Criteria:

- Project must have a BCA of 1 or greater
- Project must meet all CDBG-MIT requirements

☐ Property Criteria:

- Property must be a residential parcel
- Property must be in the floodplain
- One person with an ownership interest in part or in whole on the property must be able to demonstrate U.S. Citizenship or Lawful Permanent Residence

☐ Application Scoring Criteria:

- LMI%
- Level of Flood Risk Reduction
- Quantity of Flood Risk Reduction
- Benefit-Cost Ratio (BCA): must be 1 or greater

SCOR is looking for buyout projects that will voluntarily help property owners relocate out of the floodplain and mitigate future flood damage.



Mitigation Buyout Pricing



Basis for Calculating Property Purchase Price:

- If owned before the disaster:

$$\begin{array}{|c|} \hline \textbf{Pre-Disaster Value} \\ \hline \text{(determined by licensed 3rd party appraiser)} \\ \hline \end{array} + \begin{array}{|c|} \hline \textbf{Incentives} \\ \hline \text{(if applicable)} \\ \hline \end{array} = \begin{array}{|c|} \hline \textbf{Purchase Price} \\ \hline \text{(up to the \$250,000 program cap)} \\ \hline \end{array}$$

*If Duplication of Benefits (DOB) exists, it will be subtracted from the purchase price

- If purchased after the disaster:

$$\begin{array}{|c|} \hline \textbf{Fair Market Value} \\ \hline \text{(determined by licensed 3rd party appraiser; \$250,000 program cap)} \\ \hline \end{array} \text{ NOT TO EXCEED } \begin{array}{|c|} \hline \textbf{Purchase Price} \\ \hline \end{array} + \begin{array}{|c|} \hline \textbf{Any Improvements} \\ \hline \end{array}$$

Mitigation Buyout



- ❑ A Responsible Entity (RE) must be identified to take ownership of the property
- ❑ All buyout purchases are voluntary
- ❑ After properties are purchased:
 - The structures are demolished
 - This includes all impervious surfaces, foundations, underground tanks
 - Site Stabilization = *The property is returned to open/green space*
 - A protective covenant is placed on the property in perpetuity
 - *Prevents construction of residential or commercial developments on property*



CDBG-Mitigation Match Program Overview

CDBG-Mitigation Funds Match



- ☐ **Total Budget: \$5M**
- ☐ **Total Awarded: \$181K**
- ☐ **Total Remaining: \$4.8M**

- ☐ **Eligible Applicants:**
 - **Town, City or County**
 - **State agencies**

- ☐ **Eligible National Objectives:**
 - **LMI Benefit**
 - **LMI-Buyout**
 - **LMI Area Benefit**
 - **Urgent Need Mitigation**

- ☐ **Executing Jurisdiction(s): Town, City, County or State Agency approved for Federal mitigation-related grant funding**

- ☐ **Serve as the local (non-federal) cost share for Federal mitigation-related grant awards, like:**
 - **FEMA (*BRIC, FMA, HMGP*)**
 - **US Army Corps of Engineers**
 - **US Department of Commerce**



HUD Required OIG Fraud Training



- ☐ Grantee Disaster Fraud Training for all CDBG-Mitigation grantees and subrecipients on **November 16-18, 2021**
- ☐ Training will be virtual and mandatory for all current SCOR-DRD CDBG-Mitigation subrecipients. Those wishing to apply for funding as a subrecipient in the future will be required to attend as well
- ☐ At least one person from your staff will be required to attend
- ☐ Please submit the name(s) and e-mail addresses of those attending to DROMitigation@scor.sc.gov by October 18, 2021

Website:

<https://admin.sc.gov/SCDRO/MitigationProgram>

Phone #:

(803) 832-8004

Email:

DROMitigation@scor.sc.gov

Thank you.

